

IndiGo™

InterGlobe Aviation Limited



Annual Report 2020-21



Forward-looking statements

This report may contain some statements on your Company's business or financials which may be construed as forward-looking based on the management's plans and assumptions. The actual results may be materially different from these forward-looking statements although we believe we have been prudent in our assumptions.

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Message from the CEO



Ronojoy Dutta – Whole Time Director and Chief Executive Officer

Dear Shareholders,

We started this fiscal year, with the first Covid-19 wave, which had commenced in March 2020, experienced some improvement in both covid cases and traffic during the year, but ended in March 2021 with an even more severe second Covid-19 wave. All in all, it was an extraordinarily challenging year for our customers, our employees, our shareholders, and the communities we serve.

Our handling of the Covid-19 crisis

As a Management team, we conducted an in-depth analysis of our objectives, our practices, and our processes in response to the unfolding environment. The single most important objective we established for ourselves was to emerge from the crisis stronger than we entered it. Observing the volatile environment, we recognised that we had to discard our penchant for long term planning and replace

it with a planning process that was strictly short term, flexible and nimble beyond anything we had executed in the past. Developing forecasting tools for the immediate future became critical. Within a matter of weeks, we had transformed ourselves from a schedule airline to a hybrid schedule/ charter operation, from cargo in the aircraft belly only to cargo in the cabin. We were determined to improve our customer service at every touchpoint, introducing a high level of digitisation as well as contactless travel. The health and safety of our customers and our employees was foremost in our minds, and we worked with the Ministry of Civil Aviation to establish standard operating procedures for social distancing. To ensure that our employee morale and engagement remained intact, even as we were forced to institute painful layoffs and pay cuts, our internal communications went into hyper drive, explaining our actions every step of the way in a transparent manner. We believe these

actions have been an important driver behind the increased customer loyalty and employee commitment we have witnessed through the pandemic. Driven by the improvement in the customer service levels, made possible by an engaged and enthusiastic work force, IndiGo's Net Promoter Scores (NPS) are higher than they were during the pre-Covid levels and the customer complaints are at minimal levels.

Remaining disciplined with our cost structure is key to our success, and during the year, significant actions were taken to enhance IndiGo's cost leadership, ensure liquidity and reduce cash burn. One of the most crucial elements of our success is of course our fleet, and we are rapidly replacing our old CEOs with fuel efficient NEO aircraft. To bolster liquidity, IndiGo has raised 66 billion rupees of additional funds in FY 2021. Apart from this, IndiGo has also announced additional liquidity of 45 billion rupees for FY 2022. We are also considering



Though the past year has been difficult, our vision is firmly rooted on the long term and we are not willing to be distracted by the trials and the vicissitudes caused by the pandemic.



raising of funds by issue of equity shares through Qualified Institutions Placement of up-to 30 billion rupees. We ended the financial year 2021 with a strong balance sheet and a free cash balance of 71 billion rupees.

We optimised our network, complied with all the regulatory capacity restrictions and yet maximised revenue. We were able to capitalise on the emerging traffic opportunities in Tier 2 and Tier 3 cities. This has enabled us to strengthen our regional connectivity even further. We are remaining true to our mission of being a catalyst for the economic growth of the country and are therefore deliberately and actively enhancing connectivity in areas which need it the most.

Our CarGo line of business has really supported us during these times when our passenger services have been severely impacted. Building on this success, we have initiated a freighter programme, under which we are in the process of sourcing 4 A321XLR aircraft which will be converted to full freighter configuration. Our investment in freighters will help strengthen our product and services in the CarGo segment, and not only help accelerate

our own business recovery but also be a strong engine of economic growth for the country.

In FY 2021, we were positioned as India's 33rd most valuable brand by Campaign Asia, a significant jump of 53 positions from a year ago. We believe our continued investment in customer service has shaped customer perception of our brand and driven increased customer loyalty.

Our employees are our strongest pillar of strength and as a result of their dedication and contribution we can conclude with confidence that "Yes, we have met our stated objective of emerging from this crisis, stronger than we entered it."

Moving towards recovery

With covid cases declining sharply and a robust vaccination campaign in place, there are strong hopes of recovery. However, it is difficult to predict the timelines for attaining 100% of pre-Covid capacities owing to external factors such as a potential third covid wave, government restrictions in domestic markets, and uncertainty in resumption of international operations.

Given the lack of profitability for FY 2021, our Board of Directors have not recommended any dividend. We will continue to closely monitor the environment and will continue to take actions to minimise the impact of the pandemic.

Positioning ourselves for the long term

Though the past year has been difficult, our vision is firmly rooted on the long term and we are not willing to be distracted by the trials and the vicissitudes caused by the pandemic.

The fundamentals of our business model - low cost, on time performance, hassle free courteous service, coupled with rapid expansion - remain intact and as robust as ever. We are blessed with the prospect of increasing income levels and a large number of first-time flyers continuously expanding our customer base.

International opportunities are just as exciting as the domestic market. Large untapped markets lie within a six-hour range of our principal cities. Many of these markets are served one stop from hubs outside India and can now be served by us nonstop with our expanding, fuel efficient fleet. Our ambitions and our optimism are well grounded in the economics and the demographics of the markets we serve.

I am thankful to our customers and our shareholders for continued support and confidence in us as we journey towards becoming the best air transportation system in the world.

Sincerely,

Ronojoy Dutta
Whole Time Director and
Chief Executive Officer

The IndiGo Way

On-time

Low fares

Courteous & hassle-free



Awards & Accolades



Great Place to Work[™]
Certified



India's Best Workplaces in
Transportation, 2021



Safest Airline
in India



Companies with Great
Managers' Award' for the
third year in a row



3rd most punctual airline
in the world for January to
June 2021



Customers

Recognised as the "36th most valuable and strong airline brand in the world" as per Brand Finance Top 50 airline reports 2021

Ranked No. 1 in India OTP; 95.4% for the year

Higher Net Promoters Score in FY 2021 compared to pre-Covid

Lowest rate of consumer complaints in FY 2021

Rs. 186 billion: Total cash balance at March 31, 2021 including free cash of Rs. 71 billion

Rs. 66 billion of liquidity infused through various initiatives

56%: NEOs as percentage of total fleet as on March 31, 2021

Placed a large contract with CFM for 682 LEAP-1A engines in May 2021

Secured shareholders' approval for QIP of up-to Rs. 30 billion

Expanded the Board with the addition of 2 new Directors, including 1 new Independent Director



Shareholders



Employees

14.1% women pilots - IndiGo has the highest percentage of women pilots in the world

Launched the first Diversity and Inclusion e-learning module; 94% organisation wide coverage

92% of eligible employees vaccinated against Covid-19 at beginning of July 2021.

24*7 ambulance support and Covid-19 helpline to provide support for employees during the pandemic

Fleet size increased to 285 aircraft at March 31, 2021, net addition of 23 aircraft during FY 2021

Carried more than 2.6 lakh tonnes of cargo including, more than 2,300 tonnes of medical supplies and 141 million Covid-19 vaccines till June 2021

Operated more than 2,500 Charter and Vande Bharat flights, serving more than 3.4 lakh passengers till June 2021

Enhanced regional connectivity - 7 new regional destinations announced during the year



Country



Environment

Carbons emission per ASK reduced by 8.4% in FY 2021 as compared to FY 2020

Recycled approximately 21 tonnes of wastepaper in FY 2021

Facilitated learning of 44,400+ children through various education interventions

Impacted the lives of 56,500+ women through financial inclusion and income generating activities

Donated 11.70+ lakh ready to consume food packets (inflight surplus) to children and families in need

Undertaken projects to conserve and restore heritage sites such as the Lal Bagh Palace in Indore, Mausoleum of Abdul Rahim Khan- i- Khanan in New Delhi and Mausoleum of Muhammad Qutb Shah in Hyderabad

2 lakhs - food packets distributed during the pandemic



Community

Corporate Social Responsibility



IndiGoReach, is the CSR intervention of IndiGo through which your Company implements programs and processes to contribute towards the goal of sustainable development for its communities.

The core pillars of IndiGo's work include.

- Children and Education,
- Women Empowerment,
- Environment,
- Heritage, and
- 6E Responsibility (relief operation work, during emergency situations),

In all CSR programs employee volunteering is an important component and employees generously give their time, experience, and talent to contribute to the CSR programs of their choice.

Linking CSR with Sustainable Development Goals (SDGs)

Each of the thematic areas of IndiGo's CSR work are in accordance with the Schedule VII of Section 135, Companies Act 2013. Your Company's CSR Programs are also mapped with the following United Nations Sustainable Development Goals (SDGs).



Children and Education

IndiGo's education initiatives for underprivileged children reaches out to more than 44,400+ children in multiple states of the country.

44,400+

Education is a key area of IndiGo's work and your Company has reached out to children through various education interventions.



56,500+

IndiGo has impacted the lives of women through financial inclusion and other income generating activities.

Women Empowerment

IndiGo's CSR initiative on women empowerment aims at increasing the income of more than 56,500 rural women through 'on farm' and 'off farm' initiatives in the project villages of India. As part of these interventions rural women are trained to undertake certain income generation activities which helps them move towards economic independence.



Environment

One of the key environmental programs that IndiGo is running is to reduce 2.34 lakhs (approx.) CERs (Carbon Emission Reduction) by September 2023 by operationalising 9,500+ Biogas plants. Till FY 2021, your Company has offset 68,000+ CERs.

IndiGoReach, is also upcycling old and discarded items such as aircraft carpets and seat covers into useful and marketable products such as folders, carry bags, lunch bags, school bags, travelling pouches, laptop sleeves, iPad covers etc. Your Company has initiated programs to recycle its used papers and has collaborated with the two organisations engaged in the business of wastepaper recycling in Delhi and Bangalore. In FY 2021 your Company has recycled approximately 21 tonnes of wastepaper.



68,000+
CERs have been offset

IndiGo is running a program with 9,500 biogas units which plans to reduce (approx.) 2.234 lakhs CERs (Carbon Emission Reduction) by 2023

21.28 tonnes of
wastepaper recycled

Recycling waste paper is a continuous process at IndiGo and it contributes to environmental sustainability